GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5502
ANSWERED ON:15.05.2007
APPAREL EXPORT PROMOTION COUNCIL
Budholiya Shri Rajnarayan;Mane Smt. Nivedita

Will the Minister of TEXTILES be pleased to state:

(a) Whether the Apparel Export Promotion Council has scaled down its export target despite strong Indian rupee as reported in Business Standard dated April 09,2007;

(b) if so, the details thereof and the reasons therefore;

(c) the steps taken by the Government to enhance the export target; and

(d) the target set for textile export for Eleventh Five Year Plan?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a)& (b):Yes. The appreciating rupee is one amongst other reasons

(c): Government has been taking continuous measures to further boost the export of textiles including cotton clothes. Some of the important initiatives taken in this regard are as follows:-

i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iv) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernization of ginning and pressing sector.

v) A new Scheme namely "Scheme for Integrated Textile Parks" has been launched by merging "Scheme for Apparel Parks for Exports" and "Textile Centre Infrastructure Development Scheme" in order to expand the production base of textile and garment sector.

vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.

vii) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

viii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

ix) For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

x) The National Institute for Fashion Technology (NIFT), its eight branches, and the Apparel Training & Design Centres (ATDCs) are running various courses/ programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

xi) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.

(d) The 11th Five Year Plan has not yet been finalized.